

APPLICATION FOR CUSTOMER RESPONSIBILITY SURCHARGE TARIFF EXEMPTIONS
DRAFT 9/19/2003

Part 1 –Introduction and Overview

A. Applicability: This Application for Customer Responsibility Surcharge Tariff Exemptions (Application) is for the purpose of requesting an exemption from various nonbypassable charges related to Customer Generating Facilities used to replace or supplement electric utility service. It may be used to request exemption from certain nonbypassable charges and requirements under the following Utility tariff schedule:

- Departing Load - Cost Responsibility Surcharge, Schedule XX-XXX
- Departing Load - Nonbypassable Charges, Schedule XX-XXX

Capitalized terms used in this Application, and not otherwise defined herein, shall have the same meanings as defined in Utility's Rules 1 and 21. This Application may be used for any Generating Facility operated by or for a Customer to supplement or serve the Customer's electric service requirements that would otherwise be served by the Utility. Such Generating Facilities are sometimes referred to as "customer" generation or "distributed" generation.

B. Guidelines and Steps for Processing: This Application must be completed and sent to the Utility to initiate the Utility's review and determination of tariff exemption eligibility for the proposed Generating Facility and for the California Energy Commission (CEC) to execute their responsibilities with regard to managing the statewide Megawatt (MW) Cap. The Utility will first make a provisional determination as to whether the Generating Facility qualifies for available exemptions. Final categorization and notice will be made only after the Utility and the CEC confirm that the installation qualifies for the exemption. **Note:** *the information provided to the Utility will be shared with the CEC and California Public Utilities Commission (CPUC).*

This Application supplements, and does not replace, the Utility's Application to Interconnect a Generating Facility. Separate interconnection applications are available and are required to be completed to request the interconnection of a Generating Facility. Other approvals may also need to be acquired and/or other agreements may need to be formed with the Utility and various governmental regulatory agencies, such as the Air Quality Management Districts and local governmental building and planning departments prior to operating a Generating Facility.

C. Glossary: A glossary of commonly used terms found throughout this document is contained in Attachment I. Where applicable, the source is provided for a more complete definition of the term.

D. Mailing Instructions, Assistance: When this Application has been completed it may be printed and mailed, along with the required attachments to:

Name
Address
Address
Address

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Questions concerning the completion of this form or the use of the information requested, may be directed to the Utility at XXX-XXX-XXXX or by e-mail at xxxxxxxx.com.

Part 1 –Introduction and Overview (Continued)

E. Approval and Categorization: Within 10 business days of receipt of the Application, the Utility will notify you in writing of the following:

- Provisional Categorization of the Generating Facility
- Conditions that must be met before Final Categorization can be granted
- A Description of the nonbypassable charges the Generating Facility will be exempt from paying

Should you disagree with the Utility's Provisional Categorization, you may contact the CEC to invoke the dispute resolution process.

Part 2 – Generation Facility Location and Responsible Parties

Facility Name:

Date Received:

Utility Reference Number:

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<i>(For Utility Use Only)</i>		

A. Host Customer Facility Information (Where will the Generating Facility be installed?)

Name shown on Utility electric bill	Electric Service Account No.	Meter Number
<i>NOTE: Please submit a copy of the host Customer facility's electric service bill.</i>		

Service Address shown on electric bill	City	State	Zip

B. Host Customer Contact Information (Customer to receive the tariff exemption)

Contact Person	Company Name

Phone	Fax	Email

Mailing Address	City	State	Zip

C. Applicant Information (If not the Host Customer)

Individual's Name	Title (Position)

Phone	Fax	Email

Mailing Address	City	State	Zip

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Part 3 – Description of Generating Facility

Nameplate (kW) - Total Gross Nameplate Rating of all Generators	Net Output (kW) – Total Estimated Maximum Customer Demand served by Generating Facility, if other than Total Gross Nameplate Rating	Net Output (kwh)

If all generators in this facility have the same manufacturer, model, gross and net nameplate rating, and will be operated in the same manner, indicate the number of units here _____ and complete the “Generator No. 1” section below.

Generator No. 1 (Use additional sheets if necessary)

A. Equipment Description

Manufacturer	Model
Gross Nameplate Rating (kW)	Net Nameplate Rating (kW)

B. Operational Date

Actual (already in operation)	Estimated

C. Prime Mover Type

D. Fuel Type

Select from list below.	Select from list below.

Prime Mover Types

1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

Fuel Types

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

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Part 3 – Description of Facility (continued)

Generator No. 2 (Use additional sheets if necessary)

A. Equipment Description

Manufacturer	Model
Gross Nameplate Rating (kW)	Net Nameplate Rating (kW)

B. Operational Date

Actual (already in operation)	Estimated

C. Prime Mover Type

D. Fuel Type

Select from list below.	Select from list below.

Prime Mover Types

1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

Fuel Types

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

Generator No. 3 (Use additional sheets if necessary)

A. Equipment Description

Manufacturer	Model
Gross Nameplate Rating (kW)	Net Nameplate Rating (kW)

B. Operational Date

Actual (already in operation)	Estimated

C. Prime Mover Type

D. Fuel Type

Select from list below.	Select from list below.

Prime Mover Types

1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

Fuel Types

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

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Part 4 – Additional Loads

Please initial the condition that applies.

- _____ The Generating Facility will **not** supply electric energy to individuals or entities other than the Customer identified in this Application.
- _____ The Generating Facility will supply electric energy to third party loads (individuals or entities other than the Customer identified in this Application).
- _____ Customer is not the owner or operator of the Generating Facility and has no knowledge of energy deliveries other than to the Customer.

Third-party Loads Served by the Generating Facility

Party A

Name shown on Utility electric bill	Electric Service Account No.	Meter Number
<small>NOTE: Submit a copy of Party A's electric service bill.</small>		

Service Address shown on electric bill	City	State	Zip

Party B

Name shown on Utility electric bill	Electric Service Account No.	Meter Number
<small>NOTE: Submit a copy of Party B's electric service bill.</small>		

Service Address shown on electric bill	City	State	Zip

Party C

Name shown on Utility electric bill	Electric Service Account No.	Meter Number
<small>NOTE: Submit a copy of Party C's electric service bill.</small>		

Service Address shown on electric bill	City	State	Zip

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Part 5 - Applicability of Qualifying Criteria

Criteria applicable to Schedule X-XXX

Indicate if the Generating Facility meets any of the following criteria. Provide individual responses for each Generator, if applicable.	Generator No.	Indicate all criteria that apply *	Provisionally Approved (FOR UTILITY USE ONLY)
<p>1. The Generating Facility will be under 1 MW in size and eligible for financial incentives from either the CPUC's self-generation incentive program (SGIP) or a CEC incentive program.</p> <ul style="list-style-type: none"> • Provide a copy of the application for SGIP incentive funds and the "Reservation Confirmation Incentive Claim Form " sent to you by the Utility. • Provide a copy of the incentive documentation you sent to the CEC. • Other proof to be determined by the CPUC. <i>NOTE: The Utilities do NOT have a mechanism to evaluate SGIP eligibility unless the SGIP or CEC Program Administrators determine eligibility. This can be accomplished through existing programs / processes.</i> 	1.		
	2.		
	3.		
<p>2. The Generating Facility will be operated under the Utility's "Net Energy Metering" tariff.</p> <ul style="list-style-type: none"> • Provide a copy of the application for interconnection and service under Schedule X_XXX that was sent to you by the Utility. 			
<p>3. The Generating Facility will be operated under the Utility's "Biogas Net Energy Metering" tariff.</p> <ul style="list-style-type: none"> • Provide a copy of the application for interconnection and service under Schedule X_XXX that was sent to you by the Utility. 			
<p>4. The Generating Facility will meet the requirements for an Ultra-Clean and Low-Emissions facility as defined in Public Utilities Code Section 353.2.</p> <ul style="list-style-type: none"> • Complete and provide Section 353.2 DWR Power Exemption Affidavit (Part 6). 			
<p>5. The Generating Facility will be operated in a "Combined Heat and Power Application," meeting the efficiency requirements for "Cogeneration" of Section 218.5 of the Public Utilities Code.</p> <ul style="list-style-type: none"> • Complete and provide Section 372 Competition Transition Charge (CTC) Exemption Affidavit (Part 7). 			
<p>6. The Generating Facility will serve a campus of the University of California or California State University systems.</p>			

**Note: This Generating Facility may be monitored for ongoing compliance. If conditions change and this Generating Facility no longer qualifies for one or more CRS exemptions, the CEC and Utility must be informed immediately.*

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**Part 6 – Affidavit in Support of Claim of DWR Power Charge Exemption
Under Public Utilities Code Section 353.2**

This affidavit documents assertions by _____ (“Customer”) that the Generating Facility qualifies for an exemption from the Department of Water Resources (DWR) Power Charge pursuant to Decision 03-04-030 as authorized by Public Utilities Code Section 353.2. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the DWR Power Charge exemption. Customer agrees to inform the Utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the Generating Facility's operation.

Exemption Qualifications (initial all that apply)

- _____ The Generating Facility has been certified by the California Air Resources Board (CARB) as “Ultra Clean and Low Emissions” (PUC Section 353.2). **CARB certification documentation is attached.**
- _____ The Customer owns and/or operates a Generating Facility that commenced initial operation between January 1, 2003 and December 31, 2005.
- _____ The Generating Facility, described in more detail in Part 3 of this Application, produces zero emissions during its operation.
- _____ The Generating Facility, described in more detail in Part 3 of this Application, produces emissions during its operation that are equal to or less than the 2007 CARB emission limits for distributed generation, except that technologies operating by combustion must operate in a combined heat and power application with a 60-percent system efficiency **on** a higher heating value. Calculation of generation efficiency is provided below.
- _____ The Generating Facility has no means of rejecting waste heat and recovers all unit thermal output for useful purposes.
- _____ The Generating Facility has the ability to reject heat via _____ (describe equipment). Operational efficiency will be verified by measuring heat discharged with no useful purpose and subtracting this amount from unit thermal output. Rejected heat will be measured by: _____ hour meter on heat exchange unit; _____ Btu meter; or _____ (other).
- _____ Heat recovered for useful purposes will be directly measured by a Btu meter.

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**Part 6 – Affidavit in Support of Claim of DWR Power Charge Exemption
Under Public Utilities Code Section 353.2 (continued)**

Calculations

Use calculation format below or attach separate calculations concerning expected calendar year operations. Calculations must be consistent with Public Utilities Code Section 353.2.

Total Generating Facility Annual Operation [AO]	_____ hr/yr
Total Generating Facility Useful thermal Annual Operation [AT]	_____ BTU/yr

Gross Generating Facility Nameplate:	_____ kW
- Parasitic Losses:	_____ kW
= Net Generating Facility	_____ kW
	x 3413 Btu / hr / kW
= Net Electric Output	_____ Btu/hr
	x [AO]
= Total Net Electric Output [TNEO]	_____ Btu/yr

Generating Facility Thermal Output	_____ Btu/hr
- Adj. For Wasted Thermal	_____ Btu/hr
= Net Useful Thermal	_____ Btu/hr
	x [AO]
= Total Net Useful Thermal [TNUT]	_____ Btu/yr

Fuel Input [HHV]	_____ Btu/hr
	x [AO]
= Total Fuel Input [TFI]	_____ Btu/yr

$$\frac{(\text{ TNEO }) + (\text{ TNUT })}{(\text{ TFI })} \times 100\% = \geq 60\%$$

This calculation prepared by _____ (name),
_____ (Company), _____ (telephone), on _____ (date).

Utility Notification Address

All changes to matters covered by this declaration must be communicated in writing to:

Name
Address
Address
Address

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**Part 6 – Affidavit in Support of Claim of DWR Power Charge Exemption
Under Public Utilities Code Section 353.2 (continued)**

I, _____ declare under penalty of perjury that all the
information provided above and in this Application are true and correct to the best of my
knowledge.

_____ (Signature) _____ (Date)

_____ (Place)

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**Part 7 – Affidavit in Support of Claim of Competition Transition Charge Exemption
Under Public Utilities Code Section 372**

This affidavit documents assertions by _____ (“Customer”) that the Generating Facility qualifies for an exemption from the Competition Transition Charge (“CTC”) as authorized by Public Utilities Code Section 372. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the CTC exemption as set forth in Sections 218, 218.5, and 372 of the Public Utilities Code. Customer agrees to inform the Utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the Generating Facility’s operation.

Exemption Qualifications (initial all that apply)

- _____ The Generating Facility, described in more detail in Part 3 of this Application, is a Qualified Facility.
- _____ The Customer owns and/or operates the Generating Facility.
- _____ The Generating Facility, described in more detail in Part 3 of this Application, meets Cogeneration efficiency standards as required under Public Utilities Code Section 218.5. Calculation of Cogeneration efficiency is provided below.
- _____ The Generating Facility is / will be operated on the same parcel of land on which the electric and thermal loads it delivers energy to are located.
- _____ Delivery of electric energy to all load is / will be consistent with the requirements set forth in Public Utilities Code Section 218 for exclusion of the Generating Facility from being defined as an “electric corporation.”
- _____ The Generating Facility is non-mobile.

Calculations

Use the calculation format below or attach separate calculations concerning expected calendar year operations. Both calculations must be consistent with Public Utilities Code Section 218.5 and **both** calculations must be met to qualify for this exemption.

$$\frac{\text{Electric Output (Btu)} + \frac{1}{2} \text{ Useful Thermal Output (Btu)}}{\text{Fuel Input (Btu)}} \times 100\% \geq 42.5\%$$

$$\frac{\text{Useful Thermal Output (Btu)}}{\text{Useful Thermal Output (Btu)} + \text{Net Electric Output (Btu)}} \times 100\% \geq 5\%$$

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**Part 7 – Affidavit in Support of Claim of Competition Transition Charge Exemption
Under Public Utilities Code Section 372 (continued)**

Total Generating Facility Annual Operation [AO]	_____ hr/yr
Total Generating Facility Useful thermal Annual Operation [AT]	_____ Btu/yr

Gross Generating Facility Nameplate:	_____ kW
- Parasitic Losses:	_____ kW
= Net Generating Facility	_____ kW
	x 3413 Btu / hr / kW
= Net Electric Output	_____ Btu/hr
	x [AO]
= Total Net Electric Output [TNEO]	_____ Btu/yr

Generating Facility Thermal Output	_____ Btu/hr
- Adj. For Wasted Thermal	_____ Btu/hr
= Net Useful Thermal	_____ Btu/hr
	x [AO]
= Total Net Useful Thermal [TNUT]	_____ Btu/hr

Fuel Input [HHV]	_____ Btu/hr
	x [AO]
= Total Fuel Input [TFI]	_____ Btu/yr

$$\frac{(\text{TNEO}) + \frac{1}{2} (\text{TNUT})}{(\text{TFI})} \times 100\% = \geq 42.5 \%$$

$$\frac{(\text{TNUT})}{(\text{TNUT}) + (\text{TNEO})} \times 100\% = \geq 5 \%$$

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**Part 7 – Affidavit in Support of Claim of Competition Transition Charge Exemption
Under Public Utilities Code Section 372 (continued)**

These calculations prepared by _____ (name),
_____ (Company), _____ (telephone), on _____ (date).

Utility Notification Address

All changes to matters covered by this declaration must be communicated in writing to:

Name
Address
Address
Address

I, _____ declare under penalty of perjury that all the
information provided above and in this Application are true and correct to the best of my
knowledge.

_____ (Signature) _____ (Date)
_____ (Place)

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**Part 8 - Provisional Categorization
(FOR UTILITY USE ONLY)**

<i>Facility Name:</i>	<i>Date Received:</i>	<i>Utility Reference Number:</i>

The following conditions must be met to receive Final Categorization for the Generating Facility.

EXEMPTION INFORMATION

The Generating Facility will be exempt from the following nonbypassable charges.

Billing Component	Qualifies for Exemption?	Reason(s)	Notes
DWR Bond			
DWR Power			
HPC (SCE only)			
Tail CTC			
NDC			
PPPC			
TTA (FTAC)			

The Generating Facility may be eligible for exemption from Standby charges if it qualifies as a Distributed Energy Resource (PUC 353.1) or Ultra-Clean and Low-Emissions Distributed Generation (PUC 353.2):

Billing Component	Qualifies for Exemption?	Reason(s)	Notes
Standby			
Other			

Exemption Reasons: 353.1, 353.2, 372, NEM(2827.7, 2827.9), Other Solar, SGIP/CEC Incentives

Note: This Generating Facility may be monitored for ongoing compliance. If conditions change and this Generating Facility no longer qualifies for one or more CRS exemptions, the CEC and Utility must be informed immediately.

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ATTACHMENT I – Glossary

Note: The following is intended as a placeholder. Final descriptions will be governed by the CEC, PUC Code, and CPUC Decisions.

Capacity Factor

A measure of the degree to which the capacity of a generating unit is being used during a designated period of time, expressed as a percentage (%).

$$\text{capacity factor} = \frac{\text{annual kWh generated}}{\text{nameplate rating (kW)} \times 8760 \text{ hours}} \\ (24 \text{ hrs.} \times 365 \text{ days} = 8760 \text{ hours})$$

Cogeneration	Consecutive generation of thermal and electrical or mechanical energy. Cogeneration is a process that reuses thermal energy by coupling a thermal industrial process with thermal generation. There are also certain CPUC requirements, pursuant to PUC 218.5, that must be met in order to qualify for cogeneration Tariff Exemptions.
CPUC	California Public Utilities Commission, sometimes referred to as "the Commission".
CTC	Competition Transition Charge. Generally, those costs that cover PG&E's generation related infrastructure investments and power purchases (QF) payments that are not competitive after restructuring.
Departed Load	1. Discontinued or reduced purchases of electricity supply from PG&E; 2. Electricity supplied and delivered by sources other than PG&E to replace such PG&E purchases; 3. Remains physically located at the same location or within PG&E's service area as it existed on Dec. 20, 1995.
DG	Distributed Generation, as defined by the California Energy Commission (CEC): <i>DG is electric generation connected to the distribution level of the transmission and distribution grid usually located at or near the intended place of use. Also defined in the CPUC's Distributed Generation Proceeding, D.99-10-025.</i>
DL	Departed Load. A customer that switches and/or replaces all or part of its load to another distribution source such as self-generation, cogeneration, an irrigation district or municipality. (Elect. Preliminary Statement BB.)
DWR	California Department of Water Resources. On January 17, 2001, the State, through the CDWR, assumed the responsibility for power procurement to meet the Utilities' net-short electricity requirements. The costs of the power purchased during the energy crises, along with the costs of forward purchase obligations incurred by the CDWR, must now be recovered. On October 15, 2002, a Settlement Agreement was filed that deals with almost all the issues regarding cost responsibility for DL customers whose load is displaced by installation of DG units to serve either on-site or qualifying over-the fence loads. (R.02-01-011). PG&E is mandated by the California Legislature and the CPUC to collect these charges on behalf of the CDWR. These charges consist of two major cost categories: the DWR Bond charge and the DWR Power Charge.
DWR Bond Charge	The charge implemented by the CPUC to recover past DWR costs from Utility bundled ratepayers "Bond Related Costs" as defined in Decision 02-02-051. The estimated dollars per kWh = \$0.004 to \$0.006.
DWR Power Charge	The charge implemented by the Commission to recover from the Utility bundled ratepayers CDWR's current, going forward costs. The estimated dollars per kWh of \$0.00 if exempted within the annual 250 MW statewide cap, or up to \$0.04 if not exempted.

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Exemptions from CTCs

When used in reference to departed load, that portion of customer load served through a direct transaction that does not require the use of PG&E's transmission or distribution facilities. Any party claiming an exemption from transition charges (CTCs) under this provision shall demonstrate through a physical test, the ability to start and fully operate on an ongoing basis without the use or requirement of PG&E's T&D system (black start).

FERC	Federal Energy Regulatory Commission, which has jurisdiction over Wholesale Generation or "Sale-for-resale".
Final Categorizaion	Once all conditions are met for the Generating Facility, the Utility grants applicable exemptions, subject to ongoing compliance.
Interconnection; (Interconnected)	Connection to and parallel operation with the PG&E distribution system for 60 cycles or more.
NBC	Nonbypassable Charges sometimes referred to by customers as, "exit fees".
NDC	Nuclear Decommissioning. Charge - Nuclear decommissioning costs for PG&E's nuclear power plants.
Net Generation Metering	The metering of the net electrical energy output in kW and kWh from a given Generating Facility. This may also be the measurement of the difference between the total electrical energy produced by a Generating Unit and the electrical energy consumed by the auxiliary equipment necessary to operate the Generating Unit, also referred to as the station or parasitic load.
NOD	Notice of Departure. Notification to PG&E of the customer's intention to take steps that will make their load Departing Load, and must be received by PG&E at least 30 days in advance of discontinuation or reduction of electric service from PG&E. (Preliminary Stmt, BB.4.a.)
OTF	Over the Fence. Per CPUC 218(b)(2): The use and sale of electric service by a non-utility generator to an immediately adjacent neighbor.
Peak Shaving	A generating unit within a plant or facility, operated to meet maximum (peak) demand. In most cases, the highest rate costs are associated with usage during the peak periods of between 12 noon and 6 pm, Monday through Friday. Peak shaving is the use of self-gen or cogeneration to offset peak cost.
PPP	Public Purpose Program. These charges cover the cost of customer energy efficiency programs, low income programs and California Energy Commission renewable energy development programs (SGIP).
Provisional Categorization	The first step in determining whether or not a Generating Facility appears to qualify for certain exemptions. Once the Utility grants Provisional Categorization, the CEC reserves space within the MW Cap, if available.

Rule 21	Rule describing the interconnection, operating and metering requirements for Generating Facilities intending to connect to PG&E's distribution system, under CPUC jurisdiction.
Section 218.5	PUC Section 218.5 defines "cogeneration", and sets the standard as:(a) At least 5 percent of the facility's annual energy output shall be in the form of useful thermal energy (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas or oil energy input.

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<i>Self-Generation</i>	A generating facility used to meet the customer's own electric energy demand, either partially or in whole.
<i>SGIP</i>	Self-Generation Incentive Program. CPUC Program intended to provides financial incentive s for the installation of new, qualifying self-generation equipment installed to meet all or a portion of electrical needs of a facility. The program is divided into 3 levels of renewable and non-renewable technologies, the maximum system size being set at 1 MW. All self-generation systems are required to "Interconnect" under Rule 21.
<i>Standby Service</i>	Electric service provided by PG&E to customers who normally generate their own electricity, or obtain their electricity over non-PG&E owned wires from a non-PG&E generator, but need back-up power for scheduled maintenance or for times when the customer's on-site load exceeds the generation source capacity. The NBCs are included within the Standby Rate Schedule.
<i>T&D</i>	Transmission and distribution facilities.
<i>Telemetry</i>	The electrical or electronic transmittal of metering data on a real-time basis. If the nameplate rating of a Generating Facility is 1 MW or greater, telemetry equipment at the Net Generator Metering location may be required at the Producer's expense to allow visibility for both PG&E and CALISO for monitoring the real-time generation of a generating facility.
<i>TTA</i>	Trust Transfer Amount. The financing costs of the 10% rate reduction bond for residential and small commercial (20 kW or less) customers.